

**Missouri Department of
Natural Resources
Administrative Policies and Procedures**

Chapter 7 Financial Management/Purchasing

Payments Policy

Effective date

Revised

Number: 7.07

July 1, 2005

The Department of Natural Resources values its financial resources and management of those resources with efficiency and accountability. It is each division's responsibility to manage, control, and administer its financial resources.

By approving documents for payment, staff within the department are certifying that they have reviewed the transaction and believe the transaction is accurate, properly documented and authorized within applicable statutes and regulations, and is an appropriate use of taxpayers monies.

This policy requires the development and maintenance of internal control plans and acknowledgement of responsibility for payment transaction authority.

REFERENCES

State Financial Administration RSMo Chapter 33

Powers and Duties RSMo 33.030

Commissioner of Administration to certify accounts before expenditures are made RSMo 33.040

Violation by any department renders contract void – liability of head of department RSMo 34.150

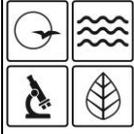
Preapproval of Claims and Accounts 1 CSR 10-3.010

State Of Missouri Travel Regulations 1 CSR 10-11.010

State of Missouri Agency Provided Food Policy (issued 01/25/02)
<http://oa.mo.gov/commissioners-office/policies/statewide>

State of Missouri Tuition Reimbursement Policy (issued 08/1997)
<http://oa.mo.gov/commissioners-office/policies/statewide>

State of Missouri Reimbursement of Professional Dues and Organizational Memberships Policy <http://oa.mo.gov/commissioners-office/policies/statewide>



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Related DNR policies

- Training and Education 5.07
- Out of State Travel 6.02
- Expense Accounts 7.01
- Relocation and Recruitment Expenses 7.03
- Purchasing 7.06

Related DNR resources

- DNR Chart of Accounts and Budget Control SAM II Training Manual
- DNR Accounts Payable Disbursements SAM II Training Manual
- DNR Fixed Assets SAM II Training Manual
- DNR Purchasing SAM II Training Manual

DEFINITIONS

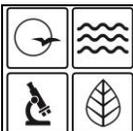
Chart of accounts: The complete listing of account titles, classifications and coding structures used by the agency to ensure proper recording of revenue and expenditure transactions and balance sheet accounts.

Coding: A system of numbering or otherwise designating accounts, entries, invoices, vouchers, etc. in such a manner that the symbol or number relates to or identifies information about the item.

GENERAL PROVISIONS

Delegation

The Office of Administration delegated the authority to approve payments to the Department of Natural Resources. That authority is further delegated to the divisions. The divisions may delegate the authority to approve payments to the programs, parks, sites, districts or regional offices. Revisions in the delegation will occur as necessary with advance notice.



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Division responsibilities

Division directors are responsible for ensuring an adequate system of internal controls is in operation and properly functioning. Each division must maintain an internal control plan for payment activities.

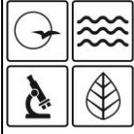
Periodically, as needed, each division director or deputy division director will certify to the Division of Administrative Support (DAS) that the division's internal controls have been reviewed. Accompanying the certification will be documentation of any material weaknesses in these controls, and the specific steps taken to correct these weaknesses.

Division directors, or designees, are responsible for ensuring that payment review and approval is properly monitored and functioning as intended. Each division and program ensures that staff responsible for review, approval and processing payments have the appropriate knowledge and skills and obtain the training necessary to meet these duties. Employees responsible for these actions must have knowledge and skills, including but not limited to, the following areas as they relate to their job responsibilities:

- Governmental accounting to include an understanding of funds and appropriations
- Knowledge of DNR's chart of accounts structure and coding schemes
- State Travel Regulations and compliance
- Federal budget, accounting and reporting requirements
- Project accounting and reporting requirements
- Budget controls including appropriations, allocations, and allotments
- Fund management
- Accounting systems
- DNR accounting procedures and fiscal policy
- Management reporting needs
- State law and regulations

A high level of knowledge and expertise is expected of the approver/reviewer to evaluate the accuracy and completeness of the data entry. The performance expectations of staff responsible for reviewing and or approving payments should include quality and timeliness expectations for payment processing and authority.

Approval by the division or designee indicates payment transactions are processed in accordance with the provision of Chapter 33, RSMo, 1 CSR 10-3.010 and other applicable statutes. The employees responsible for reviewing and/or approving the



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purchase and payment shall have the authority to determine that the disbursement is legal, accurate, properly authorized, properly coded and adequately documented. Reviewers and approvers shall have access to all documentation or information needed to determine the appropriateness of the disbursement. All employees in the purchasing/payment processes shall elevate concerns of appropriateness to a higher level of authority for resolution.

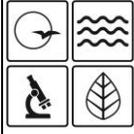
Review of each payment request must ensure that the purchase or expenditure is in compliance with 1 CSR 10-3.010 – Preapproval of Claims and Accounts: Definitions/Examples. The payment must have a clear business relationship to the department and use the correct accounting distribution for the type of expenditure (PS, E&E, CI, PSD).

In addition, review of expense account reimbursement requests must ensure:

- Compliance with *State of Missouri Travel Regulations*, 1 CSR 10-11.010 <http://www.sos.mo.gov/adrules/csr/current/1csr/1csr.asp>
- Mileage reimbursed at current rate per mile ordered by the commissioner of administration
- “12 Hour Travel Status” noted in the From/To & Purpose field for day trips that include expense for meals (must be supported by timesheet documentation on file in the organization).
- Expenses reasonable in relation to business need.

Claims may not be submitted for payment before the goods or services have been received. An exception is for advance payment for those types of items or services for which payment in advance is the normal business practice, such as magazine subscriptions, conference registrations or postage, and when the vendor requires prepayment as a condition of the sale or agreement. The invoice must clearly state the prepayment requirement.

Designated personnel will ensure that original invoices and other supporting documentation for the payment transactions are immediately forwarded to the Division of Administrative Support, Accounting Program (DAS/AP) for retention. Invoices/documentation requiring a retention period in excess of five years shall be clearly marked and the retention period specified. The specific statute or regulation that mandates the additional retention shall be provided to the DAS/AP to be used as justification for extended retention.



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Division of Administrative Support (DAS) responsibilities

The DAS Accounting Program (AP) will continue an effective monitoring process that provides random sampling to assure that procurement and expenditures are incurred consistent with applicable regulations. A monitoring plan, developed in conjunction with the division fiscal liaisons, will include reports to the divisions and programs as applicable. The AP is available for assistance to determine the appropriateness of a disbursement. The AP will provide training when needed to employees responsible for processing and reviewing/approving payment transactions and ensure financial policies and procedures are adequately documented and communicated. The AP will assist the divisions to determine staff training needs.

The DAS AP will maintain the official files of original invoices and supporting documentation for each fiscal year according to the filing protocol prescribed by the Secretary of State, Records Management Division (SOS/RMD). After the close of each fiscal year, the DAS AP will retain the official invoice documentation for one additional year before forwarding the files to the SOS/RMD for an additional four-year retention period. Invoices/documentation that require a retention period in excess of five years will be designated for the retention period specified by the division/program and the justification for the extended retention period will be provided to the SOS/RMD.

AP staff serves as the SAM II Agency Customer Service Coordinators with the Office of Administration (OA) Division of Accounting. Working with the divisions, the AP strives to provide complete and clear guidance in addition to timely information on changes that affect travel and other rules and regulations and provide interpretations on accounting policies, statutes, and guidelines.

The AP maintains the DNR Chart of Accounts and performs the annual updating of the SAM II accounting reference tables and maintains the system tables on a timely basis as changes are required throughout the fiscal year.

The DAS Internal Audit will review each division's internal control plan for payment activities and provide feedback guidance and assistance on the maintenance of the internal control plan. The DAS will conduct reviews of a division's internal controls if requested. Contract audit staff may also conduct these reviews. The DAS Internal Audit will serve as the central repository of divisional internal control plans and the certifications of periodic review of the plans.



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If the DAS determines that serious internal control weaknesses exist, an opportunity for the division to offer a corrective action plan will be provided. The absence of a satisfactory corrective action plan will be dealt with on a case-by-case basis.